

**Local Education Agency (LEA) Medi-Cal Billing Option Program  
Advisory Workgroup Meeting  
August 5, 2015 Minutes**

**Location:** Natomas Unified School District (USD)

**Attendees:** Rick Record, Safety Net Financing Division (SNFD); Cheryl Ward, SNFD; Stephanie Magee, SNFD; Alan Eng, A&I Financial Audits Branch (FAB); Vongayi Chitambria, A&I FAB; Renzo Bernales, California Department of Education (CDE); Kevin Harris, Navigant Consulting; Marna Metcalf, Navigant Consulting; Alma McKenry, Fresno COE; Andrea Coleman, LAUSD; Aurelie Alvarez, LACOE; Belinda Brager, Calaveras USD; Brian Baterina, San Mateo COE; Cathy Bennett, Sacramento City USD; Debbi Robottaro, Mendocino COE; Debbie Wood, Bakersfield City SD; Dee Dee Lowery, Napa Valley USD; Dorothy Raab, Santa Cruz COE; Elizabeth McCannally, William Hart USD; Janice Holden, Stanislaus COE; Jeremy Ford, Oakland USD; Laura Missimer, San Joaquin COE; Laurie Lane, Winters Joint USD; Linda Ledesma, Lindsay USD; Margarita Bobe, LAUSD; Mary Olmstead, Amador COE; McKenzie Mekelburg-Palomino, San Joaquin COE; Michelle Cowart, Contra Costa COE; Michelle Morales, San Jose USD; Randy Nakamura, Hayward Unified; Randy Jones, Glenn COE; Rebecca Santos, Elk Grove USD; Robert Stout, Alameda COE; Tammy Jones, Ventura COE; Tanya Perry, Bear Valley USD; Teresa Olivares, San Bernardino City USD; Tracy Cole, Natomas USD; Wendi Yamabe, Saugus Union SD.

**Handouts**

Each participant was emailed an electronic copy of the following: Workgroup Meeting Agenda; June 2015 Meeting Minutes; August DHCS Status Update Summary; Summary of FY 14/15 Breakout Sessions; and the June 2015 Breakout Session Summary and Results grids.

**Purpose**

The meeting was convened by DHCS. The Department welcomed all participants to the meeting and briefly reviewed the purpose of the Workgroup, which is to improve the Local Educational Agency (LEA) Medi-Cal Billing Option Program. The emphasis of the meeting is to strategize various goals and activities aimed at enhancing the Medi-Cal services provided on school sites and access by students to these services, while increasing federal reimbursement to LEAs for the cost of providing these services.

**Review of Meeting Minutes**

The Workgroup reviewed the June meeting minutes. Several minor edits were suggested, which will be incorporated and the minutes will be posted on the LEA Medi-Cal Billing Option Program website.

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**California Department of Education (CDE), Special Education Division (SED) Updates**

- The CDE sent an updated Inter Agency Agreement to DHCS Mental Health Services Division (MHSD) to the Program Policy Quality Assurance (PPQA) Branch on May 13, 2015. The last communication with MHSD-PPQA occurred on July 31, 2015 at which time it was communicated to CDE-SED that the draft IA had been elevated to DHCS executive management.
- CDE noted that they have been involved in the audit by the California State Auditor regarding the use of Assembly Bill 114 funds. The audit is expected to continue through December 2015, followed by a report that will include findings/recommendations. Additional detail on the scope of the audit can be found at: <https://www.auditor.ca.gov/reports/scope/2015-112>

**DHCS A&I Updates and Presentation**

- A&I Financial Audits Branch (FAB) gave a brief update on the accessibility of audit reports. A&I is working to ensure reports are ADA compliant so that they can be posted on the website. Until this project is complete, however, A&I noted that five representatives from LEAs can receive SharePoint access in order retrieve the audit reports for interested parties. SNFD will check to see if they have access to SharePoint and determine if they can be the contact for LEAs that would like to request an audit report (or be one of the five representatives with SharePoint access).
- A&I provided a recap of the proposal presented at the June 2015 LEA Advisory Workgroup Meeting regarding funding for the 14 auditor positions. At that meeting, A&I gave a presentation to the Workgroup on the current \$650,000 funding cap and proposed that the cap be increased to \$820,000, the amount approved in the initial Budget Change Proposal (BCP). This proposal would not be effective until FY 2016/17.
  - A&I indicated that they had met with Budget regarding the funding increase, and Budget has requested a letter from the LEA community that supports removing the \$650,000 funding cap and increasing the funding cap to the BCP amount.
  - The group discussed the process that would be required to gather support from each LEA in the Advisory Workgroup and came to the consensus that this process would be lengthy and not feasible.
  - Workgroup members voted to advise DHCS to move forward on this issue. A proposal was made to allow A&I to move forward with the process of modifying existing budget language, not to exceed the amount in the original budget change proposal. Workgroup members vote on this proposal as follows: Yes – 24, No – 0, Abstain – 5.
  - SNFD will determine if they can develop a letter for Budget indicating the LEA Advisory Workgroup's support of A&I's proposal, based on the vote in today's meeting.

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**DHCS SNFD Status Updates**

**FY 2012-15 Provider Participation Agreement (PPA) / FY 2013/14 Annual Report (AR)  
(due 11/30/14)**

- SNFD reported that to date they have received 485 Annual Reports.
- Regarding the PPA, SNFD has received and processed thirteen new LEA PPAs.

**“Evergreen” PPA and FY 2014/15 Annual Report**

- The “Evergreen” PPA is due to DHCS by October 10, 2015, and will be in effect until terminated by either party. The PPA is expected to be posted on the LEA website by mid-August 2015.
- The Annual Report is due on October 10, 2015, and will continue to be due annually by October 10. The Annual Report is expected to be posted on the LEA website by mid-August 2015.
- The PPA/Annual Report may be submitted electronically with electronic signatures.
- Policy and Procedure Letter (PPL) 15-018 regarding PPA/AR non-compliance was published on the LEA website July 29, 2015. PPL 15-018 can be found at: [http://www.dhcs.ca.gov/provgovpart/Documents/ACLSS/LEA/Policy%20and%20Procedure%20Letter/PPL\\_15-018-Comp\\_PPA.pdf](http://www.dhcs.ca.gov/provgovpart/Documents/ACLSS/LEA/Policy%20and%20Procedure%20Letter/PPL_15-018-Comp_PPA.pdf)

**Data Use Agreement (DUA) Due Date**

- The DUA, which must be submitted by all LEAs that order the Tape Match data, is due to DHCS by November 30, 2015
- LEAs that currently have a DUA on file with DHCS must complete Attachment E, Certificate of Destruction of Confidential Data. Attachment E is signed by the custodian of the data, which could be a vendor.
- The DUA, currently posted on the LEA Program website, may be submitted electronically with electronic signatures.

**FY 2013/14 Cost and Reimbursement Comparison Schedule (CRCS)**

- The CRCS, due to DHCS by November 30, 2015, is expected to be posted on the LEA Program website by mid-August 2015.
- For LEAs that did not have reimbursement in FY 2013/14, a simplified one-page form will be available, effective for the FY 2013/14 reporting period. This one-page form, Form 2437a “Certification of Zero Reimbursements for LEA Services”, is expected to be posted on the LEA Program website by mid-August 2015.
- PPL 15-017 “Notification of Zero Reimbursement Certification for the CRCS”, was published July 1, 2015 and can be found at: [http://www.dhcs.ca.gov/provgovpart/Documents/ACLSS/LEA/Policy%20and%20Procedure%20Letter/PPL\\_15-017\\_Zero\\_ReimbA.pdf](http://www.dhcs.ca.gov/provgovpart/Documents/ACLSS/LEA/Policy%20and%20Procedure%20Letter/PPL_15-017_Zero_ReimbA.pdf).

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- PPL 15-019 “Notification of Compliance Process for LEAs that Do Not Submit the Cost and Reimbursement Comparison Schedule by the Mandated Due Date”, was published July 24, 2015 and can be found at: [http://www.dhcs.ca.gov/provgovpart/Documents/ACLSS/LEA/Policy%20and%20Procedure%20Letter/PPL\\_15-019\\_Comp\\_CRCS.pdf](http://www.dhcs.ca.gov/provgovpart/Documents/ACLSS/LEA/Policy%20and%20Procedure%20Letter/PPL_15-019_Comp_CRCS.pdf).

**LEA Provider Manual Updates**

- The Department reported the following updates to the LEA Provider Manual:
  - July 2015 update to *loc ed bil cd* (LEA Services Billing Codes Chart)
  - July 2015 update to *loc ed serv nurs* (supervising signature on nursing treatment log)
  - SNFD is in the process of clarifying FFP language in *loc ed bil cd*.
  - SNFD is in the process of updating the *loc ed prov* and *loc ed bil* sections of the manual.
    - Program participation and PPA requirements
    - Clarification of language regarding Other Health Coverage response requirement.

**LEA Website Updates and E-blasts**

- E-blast 6/26/15: notice of submission of SPA 15-021
- E-blast 7/2/15: published PPL15-016 (Targeted Case Management/SPA 12-009)
- E-blast 7/2/15: published PPL 15-017 (CRCS Zero Reimbursement Form)
- E-blast 7/2/15: published minutes
- E-blast 7/13/15: posted 2015-18 DUA
- E-blast 7/14/15: RMTS Profile Page; SPA 12-009; Public Notice SPA 15-021; FAQ 15; TCM Labor Survey (removed)
- E-blast 7/17/15: DUA and Attachment E update
- E-blast 7/28/15: Fall 2015 Training 9/24/15 “Save the Date”

**FY 2013/14 Rate Inflation – Adjustment of Claims (EPC 23187)**

- Erroneous Payment Correction (EPC) to correct reimbursement rate adjustment for claims submitted by LEA providers for dates of service 7/1/13-6/30/14 using updated reimbursement rates for LEA services
- Xerox began issuing adjustments starting with the May 22, 2015 warrants. The EPC is now complete and all FY 2013/14 rate inflation adjustments have been processed by Xerox.

**FY 2014/15 Rate Inflation – Update Rate Table for LEA Services**

- SNF submitted an Operating Instruction Letter (OIL) on 5/21/15 to update the LEA rate table with inflated reimbursement rates for FY 2014/15.
- LEA rates, except TCMS and Transportation, were updated approximately 1.2 percent. The rate table is expected to be updated by August 24, 2015.

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**Denial of Transportation Claims (EPC 29273)**

- In March 2015, Xerox inadvertently deleted Category of Service 075 from certain procedure codes, causing denial of mileage claims (procedure code A0425) for some LEAs. This issue was corrected on May 22, 2015.
- SNFD has initiated an EPC with Xerox to reimburse the inappropriately denied claims.

**System Design Notice (SDN) 14002**

- SDN 14002, completed on June 22, 2015, instructed Xerox to exempt cost settlements, over-collected withhold reimbursements and electronic health record provider incentive payments from the withhold process.
- The post-implementation review phase (includes testing and monitoring) is projected to be complete by August 31, 2015.
- An LEA Advisory group member noted that withholds were applied to a recent electronic health record provider incentive payment. This LEA will follow-up with SNFD and provide the RAD information so that Xerox can research this potential SDN implementation issue.

**ICD-10 Update**

- ICD-10 implementation is effective on October 1, 2015. This is a nationwide implementation deadline established by the Federal government.
- The ICD-10 LEA sub-workgroup compiled an ICD-9 to ICD-10 crosswalk for many frequently used ICD-9 codes. SNFD supplied this crosswalk and a list of ICD-10 related questions to Xerox.
- The ICD-10 LEA sub-workgroup provided a description of the circumstance in which LEA claims were suspended due to ICD-9 issues. Xerox will need specific CCNs or RAD Codes in order to look into this issue.
- SNFD attended an inter-Department ICD-10 training on August 4, 2015, which addressed general ICD-10 questions. SNFD will address specific questions regarding LEA claims to Xerox.
- In July 2015, CMS announced a one-year grace period on ICD-10 claims, stating that claims won't be denied because the ICD-10 wasn't specific enough. However, there is some question as to how this will be implemented by Medi-Cal. LEAs suggested SNFD ask Xerox additional questions on the grace period, including how LEAs will be informed that the ICD-10 code on the claim wasn't specific enough and would have denied for payment if the grace-period were not in place.

**Termination of Speech-Language Pathology (SLP) CPT Code 92506 and Implementation of CPT codes 92521-24 and 92557**

- A draft PPL has been review by the PPL sub-workgroup; SNFD is now considering the PPL sub-workgroup's edits and comments.
- Finalized PPL is expected to be released late summer 2015 for expected implementation of the new CPT codes on July 1, 2016.

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**Telehealth**

- A draft PPL to include the telehealth modality for speech-language services is currently under review by the PPL sub-workgroup.
- Finalized PPL is expected to be released late summer 2015 for expected implementation of telehealth modality on July 1, 2016.

**Random Moment Time Study (RMTS) Implementation Advisory Group (IAG) Update**

- Eight Implementation Advisory Group (IAG) meetings have taken place in Sacramento to date. Two additional meeting dates are currently scheduled (August 12 and September 2). IAG meeting summaries are posted on the LEA website at: [http://www.dhcs.ca.gov/provgovpart/Pages/LEA\\_RMTS.aspx](http://www.dhcs.ca.gov/provgovpart/Pages/LEA_RMTS.aspx).
- A stakeholder feedback tool has been developed and is posted on the LEA website at: <http://lea-medical-rmts.surveyanalytics.com/>. The IAG would like stakeholder feedback on RMTS and encourages LEAs to participate in the process by summarizing their concerns on the feedback tool.
- A new RMTS quick profile page is posted on the LEA website provides an overview of RMTS and topics that impact LEAs participating in the LEA Medi-Cal Billing Option Program. The RMTS quick profile page can be found at: [http://www.dhcs.ca.gov/provgovpart/Documents/ACLSS/LEA/AdHoc%20and%20RMTS%20Meeting%20Summaries/RMTS\\_Profile\\_PageA.pdf](http://www.dhcs.ca.gov/provgovpart/Documents/ACLSS/LEA/AdHoc%20and%20RMTS%20Meeting%20Summaries/RMTS_Profile_PageA.pdf)
- The IAG continues to work on the design/technical phases and expects implementation planning to begin at the September 2<sup>nd</sup> meeting.
- Currently, the IAG is conducting a root cause analysis exercise to identify barriers to successful implementation and possible solutions.
- The group discussed whether DHCS would be contracting with one statewide vendor for RMTS, since a few group members had heard that this was the case (or rumors that a vendor had already been selected). The Department indicated that no vendor has been selected, and that it had not been decided whether there would even be a statewide vendor for the LEA Program's RMTS. The Department encouraged LEAs to use the stakeholder feedback tool on the LEA Program website if they have concerns or questions about RMTS implementation.
- Stakeholders expressed interest in learning from other state experience regarding pre-RMTS versus post-RMTS implementation, particularly with regard to predicting funding for California's LEAs that participate in the LEA Medi-Cal Billing Option Program. However, it was noted that this is very state-specific and extremely hard to predict what will happen in California based on the experience in other states. Among other things, California is hoping to expand the Program with new benefits and allowable practitioners under SPA 15-021, which will make California's experience unique to other states.

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**State Plan Amendment (SPA) 12-009 regarding Targeted Case Management (TCM)**

- DHCS sunsetted the existing TCM reimbursement methodology effective 6/30/15, and will include a new TCM reimbursement methodology in the upcoming RMTS SPA (SPA 15-021). PPL 15-106 addresses this topic which can be found at: [http://www.dhcs.ca.gov/provgovpart/Documents/ACLSS/LEA/Policy%20and%20Procedure%20Letter/PPL\\_15-016\\_TCM\\_Sunset.pdf](http://www.dhcs.ca.gov/provgovpart/Documents/ACLSS/LEA/Policy%20and%20Procedure%20Letter/PPL_15-016_TCM_Sunset.pdf)
- The TCM Labor Survey has been removed from the LEA Program website.

**SPA 15-021 (New Services and RMTS Implementation SPA)**

- Public notice included in the June 26, 2015 Register at: <http://www.oal.ca.gov/res/docs/pdf/notice/26z-2015.pdf>. The notice is listed under “New Services and RMTS to Local Educational Agencies” on page 1088.
- DHCS internal divisions are currently reviewing the draft SPA to provide edits, comments and feedback.
- DHCS will seek informal review of the SPA draft from CMS once all edits have been reviewed and appropriately incorporated. SPA 15-021 will be formally submitted to CMS by September 30, 2015.
- SNFD presented recent stakeholder request to add Marriage and Family Therapist (MFT) Interns and Associate Clinical Social Workers (ASWs) as qualified LEA practitioners. The group voted on this issue and noted support and need for these practitioners in the LEA Program. SNFD will research these practitioner types further.

**Pending Policy and Procedure Letters (PPLs)**

- PPLs in the process of being reviewed by the PPL sub-workgroup and approved by DHCS include: (1) Implementation of the “Evergreen” PPA for the LEA Medi-Cal Billing Option Program; (2) Elimination of CPT Code 92506 and Implementation of Four New Replacement CPT Codes 92521-24 and Implementation of the new Audiology CPT Code 92557; (3) Implementation of Telehealth and Telemedicine for Speech Therapy Services in the LEA Medi-Cal Billing Option Program.
- Once these PPLs have been reviewed and approved, an e-blast will be sent to LEAs and the PPLs will be available on the LEA Program website.

**Free Care Update**

- On 12/16/14, LEAs were informed via e-blast that CMS issued a letter to clarify existing “ambiguity” concerning Medicaid payment for services provided without charge (“free care”).
- At this point, there is no Department-wide policy on the CMS letter. However, SNFD is moving forward with implementing CMS’ free care guidance for the LEA Medi-Cal Billing Option Program. SNFD proposes to remove the 24 services in a 12-month period Non-IEP/IFSP utilization control in SPA 15-021, as well as expand the LEA beneficiary definition to all Medi-Cal eligible students, including those students with an IEP/IFSP.

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- LEAs should not be billing for services provided free of charge unless abiding by the requirements set forth in the LEA Provider Manual (Section *loc ed bil*), including third-party liability requirements. If all requirements can be met, LEAs may bill up to the current service limitations for non-IEP/IFSP services.
- Representatives from NAME (who are part of the LEA Advisory Workgroup) commented on a recent conference call between State Medicaid Directors and CMS, reporting that CMS indicated that states could move forward with implementing LEA services to the non-IEP/IFSP population, as long as the services were medically necessary, provided by qualified practitioners, and that the services were covered in the State Plan. In addition, they reported that CMS noted that states with a 'no free care' clause must amend their State Plan before services are available to the non-IEP/IFSP population. In addition, CMS suggested that states attempt to work with their respective Insurance Commissioners to get assurance that carriers do not cover LEA services so that LEAs may use this information to document denials.

**Transportation Regulations Update**

- SNFD reported that the regulations package is available for public comment via the California Regulatory Notice Register at: <http://www.oal.ca.gov/res/docs/pdf/notice/31z-2015.pdf>
- SNFD will send out an e-blast with information on the public comment period to LEAs.

**Workgroup Breakout Session**

The goal of the Workgroup breakout sessions is to brainstorm challenges and barriers in smaller workgroups, and use combined expertise to provide guidance to DHCS and suggest planning and solutions. This month's session was an annual review to plan for next year's breakouts.

- Workgroup members reviewed the FY14/15 breakout sessions, including discussion on progress made to date.
- Workgroup members discussed planning for FY 15/16, including brainstorming potential future breakout sessions and making improvement suggestions on the format of the Advisory Workgroup meeting structure and logistics. Future breakout topics included:
  - Updating the Provider Manual
  - Free Care/Third Party Liability and mandated services
  - Clarifying credentialing requirements (example cited was specific to LCSWs/LMFTs)
  - Maximizing TCM billing
  - Vendor definition/potential vendor involvement in the Advisory Workgroup

**Next Meeting**

The next meeting will take place on Thursday, October 15, 2015 at Natomas Unified School District.